

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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**In re:
FLYING FISH BREWING
COMPANY, LLC,
Debtor.**

**Case No. 23-21917-JNP
Chapter 11**

**DEBTOR'S REPORT OF CONCLUDED AUCTION SALE OF
SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS PURSUANT TO
THE COURTS BIDDING AND SALE ORDER DATED FEBRUARY 8, 2024**

On January 25, 2024, Flying Fish Brewing Company, LLC (the “Debtor”) filed a motion seeking the entry of an order by the Bankruptcy Court establishing sale and bidding procedures in connection of the sale of substantially all of the Debtor’s assets and authorizing the sale of such assets free and clear of all liens, claims and encumbrances. The primary mechanism for the proposed sale was an on-line auction to be conducted through February 13, 2024. The motion was granted by the Court and an extensive order approving the auction sale and bidding procedures was entered on the docket on February 8, 2024 (the “Bidding and Sale Order”).

A successful auction has been conducted of the Debtor’s assets in accordance with the Bidding and Sale Order pursuant to which a large majority of the Debtor’s assets were sold for the total gross amount of \$703,693.00 and the net amount of \$597,925.00 (after payment of the buyer’s premium to Debtor’s Court appointed auctioneer, Capital Recovery Group, LLC

(“CRG”) in the amount of \$95,668.00 in accordance with the Bidding and Sale Order). The highlights and details of the auction follow:

1. Pre-Auction Offers/Stalking Horses: The Debtor, with the assistance of CRG, advertised the auction sale extensively and secured nearly 100 pre-registered bidders. A true and correct copy of CRG’s report of all registered bidders is attached hereto as Exhibit “A.”¹ While there was some hope that advance offers for all, or nearly all of the Debtor’s assets might have been secured prior to the auction to then be utilized as stalking horses at the auction itself, such offers did not materialize. As such, there is no break up fee to be paid from the auction proceeds. Instead, all sales have occurred by way of the auction itself for the Debtor’s assets, piecemeal, with only CRG’s buyer’s premium coming off the top in accordance with the Bidding and Sale Order.

2. Winning Bidders: Of the 93 or so registered bidders, over half, or approximately 55 bidders submitted winning bids for various assets of the Debtor. Of those 55 or so winning bidders, over half, or approximately 30, submitted more than one winning bid.

3. Sales to the Winning Bidders: Attached hereto as Exhibit “B” is a CRG report showing the results of each auction lot sold and reflects the identifying number of the winning bidder for each lot, a description of the asset(s) included in each lot, and the amount bid (after buyer’s premium) for each lot totaling, as noted above, a net sum to the Debtor of \$597,925.00.

4. Lots not Sold: Only 14 lots of Debtor asset(s) were not sold at the auction. A true and correct copy of the CRG report of unsold lots is attached hereto as Exhibit “C.” At a later time, Debtor will make a proposal to the Court, the United States Trustee and the parties-in-interest in this bankruptcy concerning the proposed liquidation or disposition of the unsold lots.

¹ Those bidders highlighted in yellow in Exhibit “A” represent winning bidders, see supra ¶¶2-3 above.

Debtor now intends to seek Court approval of the asset sales reflected in Exhibit "B" in accordance with the provisions of the Bidding and Sale Order at the sale approval hearing (the "Approval Hearing") scheduled for **February 15, 2024 in the Court Room of the Honorable Judge Jerrold N. Poslusny, Jr., Courtroom 4C, Mitchell H. Cohen United States Courthouse, 401 Market Street, Camden, NJ 08102, at 10 a.m.** Any party in interest who wishes to oppose the sale of the Debtor's assets is advised to submit their opposition as provided in the Bidding and Sale Order and no later than at the time the Approval Hearing is conducted.

Dated: Maple Shade, NJ
February 14, 2024

Respectfully submitted,
McDOWELL LAW, PC

By: /s/ Ellen M. McDowell
Ellen M. McDowell

Attorneys for the Debtor

CERTIFICATE OF SERVICE

In accordance with the Bidding and Sale Order of the United States Bankruptcy Court for the District of New Jersey, this Auction Report is being served contemporaneously herewith by electronic transmission upon:

- 1) The United States Trustee;
- 2) Holly Smith Miller, Esq., the Subchapter V Trustee;
- 3) Counsel for the Secured Creditor, Celtic Capital Corporation;
- 4) All interested parties requesting notice; and
- 5) All registered bidders for the Auction who have provided a valid email address.

Dated: Maple Shade, NJ
February 13, 2024

Respectfully submitted,
McDOWELL LAW, PC

By: /s/ Ellen M. McDowell
Ellen M. McDowell

Attorneys for the Debtor